No. 18249

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

HAMMERMILL PAPER CO., a corporation, substituted for COAST ENVELOPE COMPANY, doing business as COAST BOOK COVER CO.,

Plaintiff Appellant,

vs.

THE ARDES COMPANY, a corporation,

Defendant-Appellee.

APPELLANT'S OPENING BRIEF.

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In this brief, references to Vol. I of the record will be preceded by the letter "R", and references to Vol. II (the reporter's transcript of proceedings on trial), will be preceded by the letter "T".

I.

Statement of Pleadings and Jurisdiction.

This is an appeal [R. 91] by the plaintiff below from the judgment [R. 89] of the District Court for the Northern District of California, Southern Division, District Judge Wollenberg.

This being a patent action, jurisdiction was vested in in the District Court under 28 USC, Sec. 1338(a), and this court has jurisdiction under 28 USC, Sec. 1291.

Appellant's complaint [R. 1] charged appellee, the defendant below, with infringement of the Miller U. S. Patent No. 2,448,823, Exhibit 5. The patent issued November 22, 1949, upon an application filed November 6, 1945. The answer [R. 4] denied infringement and denied validity, alleging the patent to be anticipated by, and to lack invention over, the prior art. The joint pretrial statement and stipulation appears in the record beginning at R. 20.

The parties, in lieu of final argument, submitted their respective proposed findings and conclusions; those proposed by appellant appearing in the record commencing at R. 41 and those proposed by appellee appearing in the record commencing at R. 57. The trial court adopted the findings and conclusions submitted by appellee, with certain exceptions and deletions [R. 73].

The judgment held the Miller patent invalid as being anticipated by, and as lacking invention over, the prior art, and also held noninfringement.

The accused devices are Exhibits 7 and 9. Appellant's commercial embodiment of the Miller patent is exemplified by Exhibit 8; and the prior art offered by appellee is contained in Exhibits A and B. Exhibit A contains the art which was not cited by the Patent Office and Exhibit B contains the art cited by the Patent Office.

II.
The Parties.

Plaintiff-Appellant is Hammermill Paper Co., a Pennsylvania corporation, having its principal place of business in Erie, Pennsylvania, and having factories in Los Angeles and San Francisco, California. Said appellant was substituted as plaintiff after having acquired and merged with the original plaintiff, Coast Envelope Company, a California corporation, doing business as Coast Book Cover Co. See supplemental complaint [R. 17].

The defendant-appellee is The Ardes Company, a California corporation, having its principal place of business in San Francisco, California.

III.
Statement of the Case.

A. The Miller Patent in Suit.

Appellant's ownership of the patent in suit is stipulated in the pre-trial stipulation [Par. 9, R. 22].

The patent contains one claim, covering a new combination of elements which were old in other and different arrangements. The new combination and arrangements of those old elements, set forth in the claim of the patent, functions differently to perform a new and improved result.

The patented product is a check pad cover and binder device for protecting and temporarily binding filler pads of checks which banking institutions give away free to their depositors. The patented device [Ex. 8] has been in extensive use in the United States for over twelve years, during which time bank depositors have used

many millions of them. The device has therefore become familiar to most people. It consists of a check pad cover in which a spring metal binder element of channel-shaped cross-section is permanently secured. The point of novelty of the patented combination is that the *top wall of the metal binder element terminates in a downwardly disposed edge which intersects the side of the element in a taper.*

B. Circumstances Preceding, Attending and Succeeding the Appearance of the Invention of the Miller Patent.

For over forty years immediately preceding the Miller invention [T. 28, 58, 79], the check pad cover which the banks had universally used was what is known as the "pocket type" cover, consisting of a pad-cover having a special pocket formed in its interior to receive a paper attaching tongue or tab which had to be secured to the back of each check pad; the insertion of the tongue into the pocket constituting the sole means of binding the pad in the cover. The "pocket type" device is exemplified by Exhibit 10, and a check pad having the attaching tongue is exemplified by Exhibits 11 and 15. Said device was objectionable for many reasons. The extra labor and material costs involved in forming the special tongue-receiving pocket made it costly to manufacture, and the labor operation of securing an attaching tongue to the back of each check filler pad was expensive [T. 63-65]. Also the mere insertion of the paper tongue into the pocket of the cover did not firmly hold the check pad in position for use [T. 31].

Those working in the art had long sought to produce a check pad cover and binder device which would eliminate the cost of securing an attaching tongue to the

back of each check filler pad as well as enable the banks to use up the filler pads already on hand having the attaching tongue. It was also the aim to produce a device into which the filler pads could be easily inserted without mutilating the pad and which would also firmly bind the pad. A device using a spring metal binder element was the logical answer, but while spring metal binder elements of various sorts had been proposed, as shown by the prior art in this case, every one of the old spring metal binder elements had a serious fault which made it impracticable. That is, either it did not firmly grip the check pad, or the filler pad would become mutilated in the course of inserting it into the binder element.

For instance, the file wrapper reference patent, Exline 1,354,960, Exhibit B, which was applied for in 1919, stated one of the problems presented by the old "pocket type" device as follows:

> "It is well known that stacks of check blanks have been bound together along one end and provided with a tongue which was capable of being inserted into a receiving portion on the back or the loose cover to which it is desired to connect the stack of leaves, but my present invention has for its purpose to so improve the manufacture of the stack of leaves and provide for the attachment of the leaves to the cover as to eliminate the requirement of such a tongue and also to overcome the provision of a receiving means on the cover of the book."

Neither Exline nor any of the other prior art patents, dating back to 1877, solved or suggested a successful solution for the problem.

Appellant had been a manufacturer of the so-called "pocket type" device for over thirty years before the Miller invention [T. 28, 58, 70]. Miller, the shop superintendent for appellant, and a man of long experience in the art, completed his invention in 1945, only after considerable study and experimentaion [T. 31]. Miller's patented product [Ex. 8] was the first check pad cover and binder device using a metal binder element to be adopted and used by the banking institutions [T. 63]. Appellant first made the patented device commercially available to banks in early 1950 [T. 69], under the trademark "Duragrip", and, with an advertising expenditure of only about $3,000.00 a year [T. 63] the patented device immediately became and remains a large commercial success, substantially supplanting the old "pocket type" device [T. 70]. By the time of the trial of this action, appellant had sold about 34,000,000 of the patented devices [Ex. 12, T. 61].

It is believed significant that, up to the time appellant commercially introduced the device of the Miller invention, appellant's sales of the old "pocket type" check pad cover had been confined to the State of California but, after introducing the device of the Miller patent, appellant was able to sell the patented device throughout the United States [T. 59].

Up to the time of commencing the alleged infringement, in early 1950, appellee was also making and selling the old "pocket type" device [T. 18]. In 1957, appellee, admittedly, sought to market the device of Exhibit 6, which is a check pad cover using a metal binder element, but, admittedly, appellee abandoned that device [T. 19, 84] and, in 1959, commenced making and selling the accused device of Exhibit 7. After the filing

of this action, appellee commenced marketing the accused device of Exhibit 9, which is obviously essentially the same as that of Exhibit 7.

It is believed particularly noteworthy that the abandoned device of Exhibit 6 was patterned after the ancient British Bonnet patent No. 17,932, of 1893 [T. 154-155], upon which appellee chiefly relies as prior art [T. 134].

The structural change over the prior art which rendered the Miller device successful where the prior art had failed, was small, but the small structural difference achieved a new mode of operation as well as an advantageous result.

The single claim of the Miller patent reads as follows:

> "A binder for check book fillers and the like, comprising: a cover sheet forming a back support for a filler, and a filler retaining member carried by an end of the cover sheet, said filler retaining member comprising a strip of resilient material bent to provide a substantially flat base portion and an inwardly and downwardly curved outer end portion terminating in a downwardly disposed end edge portion over hanging the base portion a distance less than the thickness of the filler to be retained whereby to resiliently bear against and compress a filler against the base portion, and means for securing the base portion to the cover sheet, said end edge portion intersecting one of the side edges of the outer end portion in a taper."

C. The Basis of the Trial Court's Error.

It is submitted that the basis of the trial court's error was that, as is sometimes true in patent cases involving simple inventions, in appraising the Miller concept, the trial court failed to recognize the important differences in function and advantages resulting from the apparently simple structural differences between the highly successful Miller device and the many unsuccessful devices of the prior art. Many long needed inventions, after they are made, may seem so simple as to cause us to wonder why they were not made sooner. Therefore, it would seem to be improper to deprive an inventor of the fruits of an invention which, after it is made, may appear so simple, without first considering how long the invention was needed, how others sought to supply the need, and what followed after the invention was made. It is submitted that the trial court failed to apply that criteria to the facts of this case.

The trial court also appears to have overlooked that a combination consisting of a new arrangement of elements may be patentable even though all the elements are known in other arrangements, if the new combination produces a new and beneficial result. *Coleman Company v. Holly Manufacturing Company*, 233 F. 2d 71 (9th Cir.); *Wire Tie Machine Co. v. Pacific Box Corp.*, 102 F. 2d 543 (9th Cir.).

IV.

Assignment of Errors.

(See Appendix 1.)

V.

In Holding the Miller Patent to Be Anticipated by, and to Lack Inventive Novelty Over, the Prior Art, the Trial Court Erred.

Findings 8-16, 22-28 relate particularly to this holding.

A. The Miller Patent and the Prior Art Patents Speak for Themselves.

The Miller patent, as well as the prior art patents, clearly speak for themselves, without the necessity of any expert explanation,[1] and this Court may independently appraise them. *National Sponge Cushion Co. v. Rubber Corp. of California,* 286 F. 2d 731 (9th Cir.).

B. The Prior Art Patents Offered by Appellee.

Appellee introduced the following prior art patents:

Exhibit A:

U. S. Patent to Edwards, No. 7,815 of 1877

U. S. Patent to Dubber, No. 219, 451 of 1879

U. S. Patent to Rodden, No. 549,660 of 1895

U. S. Patent to Bottle, No. 1,064,884 of 1913

U. S. Patent to Rockwell, No. 1,106,891 of 1914

U. S. Patent to Newman, No. 1,441,876 of 1923

U. S. Patent to Pippert, No. 2,021,609 of 1935

British patent to Bonnet, No. 17,932 of 1893.

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[1]Although, after appellee called an expert [T. 93-170], appellant called one in rebuttal [T. 179-233].

Exhibit B:

U. S. Patent to Cooke, No. 227,098 of 1880
U. S. Patent to McDonald, No. 479,014 of 1892
U. S. Patent to Exline, No. 1,354,960 of 1920
U. S. Patent to Wood, No. 1,528,040 of 1925.

Illustrative models of the following of these patents are in evidence:

British patent 17,932 [Ex. 16]
U. S. Rockwell Patent 1,106,844 [Ex. 17]
U. S. Cooke patent 227,098 [Ex. 18].

C. Appellee Selected the British Bonnet Patent No. 17,932 of 1893, as Being Closest to the Miller Invention.

While appellee selected the British patent and the U. S. Rockwell patent No. 1,106,891, of 1914, as being the closest to the Miller patent [T. 134], and secondarily referred to Pippert, 2,021,609 and Newman, 1,441,876, the evidence shows that appellee relied principally upon the British patent. The trial court found [Find. 11] that the British patent shows every element called for by the Miller patent claim, in precisely the same combination and performing the same function with substantially the same result. The trial court made the same finding [Find. 12] with respect to the Rockwell patent. It is submitted that those findings are clearly erroneous.

D. British Bonnet Patent 17,932.

The device of this British patent, instead of having the top wall of the binder element terminate in a *downwardly* disposed edge intersecting the side in a taper, as in the patent in suit, has a top wall which is *backwardly bent* until its terminating edge faces the back

wall of the binder element, so that the edge is substantially perpendicular to the pad which it is supposed to bind, and therefore does not engage the pad. Thus, only the flat undersurface of the backwardly bent portion bears *flatly* against the check pad and consequently does not hold the pad firmly in position in the cover. The terminating edge of the backwardly bent portion does intersect the side in a curve but, since the edge is not downwardly disposed, and does not engage the pad, it does not guide the filler pad beneath the edge. Therefore, the only practical way to insert a check pad into the British device is to insert the pad endwise into the binder element. While the British patent states that the pad can be inserted through the side of the binder element, that would be impossible without mutilating the leading edge of the check pad, because the backwardly bent portion presents a U-shaped obstruction over which the leading edge of the pad would have to be forced [R. 142, 190-192].

> "Prophetical suggestions and surmises in prior patents or publications, of what results can be achieved in a particular art, are not enough to negative the novelty of any patent on an invention which can accomplish that result. *(Westinghouse Air-Brake Co. v. Great Northern Ry. Co.,* 88 Fed. 258, 263, C. C. A. 2 (1898); *Asbestos Shingle, etc., Co. v. H. W. Johns-Manville Co.,* 184 Fed. 620, C. C., S. D. N. Y. (1910))"

Walker on Patents, Deller's Edition, Vol. 1, p. 271.

Any of the various other prior patents showing the upper portion of the binder element to terminate in a backwardly bent portion, would be impractical for the same reasons as the British patent.

The history of the art proves that this British patent did not solve the problem met by the Miller patent. While that patent issued in 1893, the problem remained unsolved until the Miller invention 52 years later. Moreover, the British patent apparently did not offer any suggestion to any of the numerous other patentees who sought to meet the problem prior to Miller.

The trial court erroneously assumed that the only element of novelty claimed by Miller was the taper *per se*. However, the point of novelty in the patented combination is that the *downwardly disposed edge* intersects the side in a taper. That is, if the taper were placed on a backwardly bent wall edge, it would not function in the manner or produce the results of the Miller invention.

Also, in finding this British patent to anticipate, Findings 10, 11, 12, 16, 26, the trial court failed to apply the settled rule of patent law that a patent claim must be interpreted in the light of the patent specification. *L. McBrine Co. v. Silverman,* 121 F. 2d 181, 182 (9th Cir.). That is, the trial court found [Find. 26], in effect, that the term "downwardly disposed edge intersecting the side in a taper", as used in the Miller patent claim, is broad enough to embrace the backwardly disposed terminating edge of the British patent. Appellant submits that this is erroneous because an examination of the Miller patent drawing shows clearly that what the patent means by the claim language is that the edge must be disposed downwardly in such a way that the side of the device does not form an obstruction, and in a way to bear against the top of the check pad, *and that the taper must be associated with such an edge.*

E. The Rockwell Patent No. 1,106,891.

While the metal binder element of this patent has its top wall terminating in a downwardly disposed edge, that edge does not intersect the side in a taper, and therefore the device does not function in substantially the same way or to provide the same beneficial results as the patent in suit [R. 194-196]. This patent does show an upwardly directed, diagonal *flange* 26 which is intended to assist in inserting a pad, but that flange is spaced above the side edge of the downwardly disposed wall so that the exposed side edge would present an obstruction which would mutilate the pad. Rockwell's proposal of such a flange demonstrates that it was not obvious to solve the problem of inserting a check pad beneath a downwardly disposed edge by making that edge intersect the side in a taper.

The file wrapper reference Cooke, 227,098 [Ex. 18, Ex. B], likewise shows a downwardly disposed edge, but that edge does not intersect the side in a taper. Therefore, Cooke is as close to the patent in suit as is Rockwell, although neither one of those patents overcame the problem in the manner of the Miller patent in suit, and the trial court's Findings 14, 16 to the contrary are clearly erroneous.

F. The Pippert and Newman Patents Are Pertinent Only to the Extent That They Show Beveled Edges in Other Environments.

The Pippert patent, 2,021,609, and the Newman patent, 1,441,876, show the beveling of edges in other and remote arts [T. 129]. Appellant does not deny that beveling is old in other environments. For instance, the point of novelty of the patent sued upon in *Diamond*

Rubber Co. v. Consolidated Rubber Tire Company, 220 U. S. 428, 55 L. Ed. 527 (hereinafter quoted from), was the beveling of the side walls of the channel of a tire rim for an automobile wheel. The beveling caused a tire, mounted in the channel of the rim, automatically to reseat itself in the channel in course of use. Beveling, generally, was even old at the time of that invention, but it had not been used in such a *combination* as was covered by the patent involved in that action. The Pippert patent shows a package-closing clamp of O-shaped cross section, and the Newman patent shows a clamp of like cross section for clamping newspaper pages together, but, while those patents show bevels, they do not show the use of a bevel in a combination such as that of the Miller patent.

G. The Remaining Prior Art Patents Fall Within the Category of Either the British Patent or the U. S. Rockwell Patent.

The U. S. Dubber patent, 2,194,051, of 1879, shows a top wall terminating in a downwardly disposed edge which does *not* intersect the side in a taper and is in the same category as Rockwell.[2] The remaining prior art patents offered by appellee show the top wall terminating in a backwardly bent portion whose terminating edge faces towards the back wall, and are in the same category as the British patent 17,932.

H. Brief Summary of the Prior Art and the Law Applicable to the Issue of Validity.

All the prior art patents are what are known as "paper patents", there being no evidence that any one of

[2]Dubber shows at finger button e for use in manually flexing the downwardly disposed wall upwardly to insert papers beneath the edge.

them was ever used. Therefore, it is improper to attempt to supply their deficiencies by borrowing from the teachings of the successful Miller patent.

> "If a person uses something taught by the patentee, equity requires that he should not be permitted to avoid paying tribute by pointing out that the claims are broad enough to cover something no one would wish to use."
>
> *Ellis, "Patent Claims",* page 654.

It may be conceded that some of the prior patents came close to meeting the old problem for which a solution was being sought, but each of them lacked the feature of the downwardly disposed edge intersecting the side in a taper, which Miller provided to turn failure into success.

The structural differences between the Miller invention and the prior art may appear small, but those differences are important in that they caused the Miller combination to function quite differently to provide a definite advantage.

For instance, the only material *structural* differences between the Miller patent and the prior British patent are that the terminating edge of the top wall of the Miller binder element is disposed downwardly *towards the check pad,* while the terminating edge of the top wall of the binder element of the British patent faces the back wall of the binder. However, as hereinbefore pointed out, the differences in *function and results* flowing from those seemingly small structural differences are substantial.

The only material structural difference between the Miller patent and the structure typified by the prior

Rockwell patent, is that the downwardly disposed edge of Miller intersects the side in a taper, while in the Rockwell structure that is not true. As hereinbefore pointed out, the differences in function and results caused by that seemingly small structural difference are substantial.

> "No doctrine of the patent law is better established than that a prior patent or other publication to be an anticipation must bear within its four corners adequate directions for the practice of the patent invalidated. If the earlier disclosure offers no more than a starting point for further experiments, if its teaching will sometimes succeed and sometimes fail, if it does not inform the art without more how to practice the new invention, it has not correspondingly enriched the store of common knowledge, and it is not an anticipation."
>
> *Dewey & Almy Chemical Co. v. Mimex Co.,* 124 F. 2d 986, 989 (2d Cir.).

Miller's invention, when viewed after its many years of successful history, might, because of its simplicity, mislead one to the conclusion that it was obvious at the time Miller conceived it in 1945,[3] but the history of the art indicates strongly that Miller's concept was not obvious.

> "It is of no significance that 'viewed after the event, the means * * * adopted seem simple and such as should have been obvious to those who worked in the field, but this is not enough to negative invention.' *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.,* 321 U. S. 275, 279, 64 S. Ct. 593,

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[3]35 U. S. C. 103.

594, 88 L. Ed. 721. 'Now that it has succeeded, it may seem very plain to anyone that he could have done it as well. This is often the case with inventions of the greatest merit.' *Carnegie Steel Co. v. Cambria Iron Co.,* 185 U. S. 403, 446, 22 S. Ct. 698, 715, 46 L. Ed. 968. See *Patterson-Ballagh Corp. v. Moss, supra.*"

National Sponge Cushion Co. v. Rubber Corp. of Cal., 286 F. 2d 731, 735 (9th Cir.).

See also:

Patterson-Ballagh Corp. v. Moss, 201 F. 2d 403, 406 (9th Cir.).

As in the instant case, a small structural change in an old device may change failure into success. In *Hookless Fastener Co. v. Greenberg,* 18 Fed. Supp. 296, District Judge Yankwich sustained the validity of a patent on a common "zipper" wherein the point of novelty which changed failure into success was merely the increasing of the tolerance between the old interlocking "zipper" members.

See also *C. Howard Hunt Pen Co. v. Radiant Point Pen Co.,* 135 F. 2d 870 (2d Cir.) sustaining a patent for an invention whose novelty consisted only of making the tip of a pen thicker than it had been. The thickening substantially improved the writing qualities and was commercially successful.

The commercial success of the Miller invention is not relied upon alone. It is an important indication of invention, but it is evidence only of the circumstances following the appearance of the invention. As this Court has so aptly stated, the more reliable way of appraising

novelty and determining whether an invention possesses patentability is to measure it in the light of the circumstances which preceded, attended, and succeeded the appearance of the invention.

In *Hughes Blades, Inc. v. Diamond Tool Associates,* 300 F. 2d 853, Ninth Circuit, this Court approvingly quoted the language of Judge Learned Hand in *Safety Car Heating & Lighting Co., Inc. v. General Electric Co.,* 155 F. 2d 937, at 939 (2 Cir., 1946), as follows:

> " 'Courts, made up of laymen as they must be, are likely either to underrate, or to overrate, the difficulties in making new and profitable discoveries in fields with which they cannot be familiar; and, so far as it is available, they had best appraise the originality involved by the circumstances which preceded, attended and succeeded the appearance of the invention. Among these will figure the length of time the art, though needing the invention, went without it: the number of those who sought to meet the need, and the period over which their efforts were spread: how many, if any, came upon it at about the same time, whether before or after: and — perhaps most important of all — the extent to which it superseded what had gone before. We have repeatedly declared that in our judgment this approach is more reliable than a priori conclusions drawn from vaporous, and almost inevitably selfdependent, general propositions'."

See also:

Webster Loom Co. v. Higgins, 105 U. S. 580, 591, 26 L. Ed. 1177.

There is ample, undisputed, evidence of the circumstances preceding, attending and following the Miller invention, and it is submitted that that evidence is entitled to more weight than the trial court has given to it in relation to the issue of validity.

> "Further, the evidence shows that the success of the machines here was substantial and immediate. While this alone is not of significance, coupled with the lack of prior discovery it may be, and was, accepted as evidence that the matter was not obvious."
>
> *Kaakinen v. Peelers Company,* 301 F. 2d 170 (1962), (9th Cir.).

The admitted fact that appellee abandoned its device of Exhibit 6 in favor of the accused devices of Exhibits 7 and 9, brings this case squarely within the doctrine enunciated by the U. S. Supreme Court in *Diamond Rubber Co. v. Consolidated Rubber Tire Co.,* 220 U. S. 428, 55 L. Ed. 527, 534, where the Court said:

> "The prior art was open to the rubber company. That 'art was crowded', it says, 'with numerous prototypes and predecessors' of the Grant tire, and they, it is insisted, possessed all of the qualities which the dreams of experts attributed to the Grant tire. And yet the rubber company uses the Grant tire. It gives the tribute of its praise to the prior art; it gives the Grant tire the tribute of its imitation".

VI.

The Accused Devices, Exhibits 7 and 9, Infringe the Miller Patent in Suit.

Appellee admitted that the accused devices of Exhibits 7 and 9 function in the same way to accomplish the same results as the Miller patent in suit [T. 157-158]. The only difference in the construction of Exhibits 7 and 9 as compared with the Miller patent, is that the Miller patent achieves the result of having the upper portion of the binder element terminate in a "downwardly disposed edge" by continuously curving said upper portion while, in Exhibits 7 and 9, the same result is obtained by a series of angles instead of a continuous curve. The trial court found, however [Find. 17], that a curve may be continuous or may be formed by a series of angles, this well-known fact of mechanics is established by the evidence [T. 210-211] and stated by the U. S. Supreme Court in *Ives v. Hamilton,* 92 U. S. 426, 23 L. Ed. 494, so that the devices of Exhibits 7 and 9, in substance, embody the same construction. In other words, the accused devices and the patented device are full equivalents of each other in construction, operation and results.

> "courts have also recognized that to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing. Such a limitation would leave room for—indeed encourage—the unscrupulous copyist to make unimportant and insubstantial changes and substitutions in the patent which, though adding

nothing, would be enough to take the copied matter outside the claim, and hence outside the reach of law. One who seeks to pirate an invention, like one who seeks to pirate a copyrighted book or play, may be expected to introduce minor variations to conceal and shelter the piracy. Outright and forthright duplication is a dull and very rare type of infringement. To prohibit no other would place the inventor at the mercy of verbalism and would be subordinating substance to form. It would deprive him of the benefit of his invention and would foster concealment rather than disclosure of inventions, which is one of the primary purposes of the patent system.

"The doctrine of equivalents evolved in response to this experience. The essence of the doctrine is that one may not practice a fraud on a patent. Originating almost a century ago in the case of Winans v. Denmead (US) 15 How 330, 14 L. Ed. 717, it has been consistently applied by this Court and the lower federal courts, and continues today ready and available for utilization when the proper circumstances for its application arise. 'To temper unsparing logic and prevent an infringer from stealing the benefit of the invention' a patentee may invoke this doctrine to proceed against the producer of a device 'if it performs substantially the same function in substantially the same way to obtain the same result.' Sanitary Refrigerator Co. v. Winters, 280 US 30, 42, 74 L. Ed. 147, 156, 50 S. Ct. 9."

Graver Tank Co. v. Linde Air Prod. Co., 339 U. S. 605, 94 L. Ed. 1097.

It should be noted that Finding 32 (the finding of noninfringement) also finds that appellee's abandoned device of Exhibit 6 does not infringe, which is correct, to that extent, since appellant never charged that Exhibit 6 infringed [Find. 29].

The trial court's finding of noninfringement appears to be based solely upon the erroneous proposition that the abandoned device of Exhibit 6 and the accused devices of Exhibits 7 and 9 are the same in construction, operation and results, and that therefore, if Exhibit 6 does not infringe, the accused devices of Exhibits 7 and 9 likewise do not infringe. However, as pointed out hereinbefore, the device of Exhibit 6 was abandoned by appellee in favor of the accused devices of Exhibits 7 and 9, thus showing clearly that they are not equivalents.

It is respectfully submitted, therefore, that Findings 30, 31 and 32, relating to the holding of non-infringement, by the accused devices are clearly erroneous.

VII.

Appellant's Commercial Embodiment of the Patent in Suit Is Covered by Said Patent.

The trial court [Find. 36] found that Exhibit 8, which is the device made and sold by appellant under the patent in suit since 1949, technically, is not covered by the Miller patent, and that therefore the patent has not been commercially successful. Findings 19, 20, 21 33-38 relate to this holding. Appellant contends that the findings are clearly erroneous for the following reasons:

This holding is predicated upon the following erroneous propositions:

(a) That the base wall of the binder element of Exhibit 8 is not "substantially flat", as described in the patent claim, because it has a slightly inclined outer edge portion; and

(b) That the file wrapper proceedings estop appellant to contend that the downwardly disposed edge of the upper portion of the binder element of Exhibit 8 "overhangs the base" in the meaning of the patent claim.

The Miller patent claim does not state that the bottom or base wall of the binder element is *entirely* flat. In fact it is not even shown in the Miller patent drawing as being *entirely* flat, because, in the drawing, it has a slightly embossed rib portion, identified by the numeral 22. The major portion of the base wall, both as shown in the Miller patent and as embodied in Exhibit 8, is flat and therefore said base wall is "substantially flat". It obviously makes no difference in function or result whether the base wall be entirely in a single plane or whether its outer edge portion may be slightly inclined.

The file wrapper [Ex. 6] of the Miller patent shows that Miller did not cancel any claim which would prejudice the interpretation which appellant contends for the Miller patent claim.

The Miller patent application, as filed, contained nine claims. Claims 3-9, directed to another species of the invention, were canceled for purposes of division. Claim 1 of the application was not "canceled" but was merely rewritten as new claim 10, which was eventually canceled because its combination did not specify that the downwardly disposed edge intersected the side in a taper.

Original claim 2 of the application described the metal binder element (which, in the claim, was called the "retaining member") as follows:

> "said retaining member being characterized as being curved in cross section to present an outer end edge overhanging the cover sheet whereby the filler may be inserted laterally under said edge, and being further characterized by having at least one of its side edges intersect said outer edge in a taper."

Said claim 2 was not "canceled", but was merely rewritten as new claim 11, which described the binder element, or retaining member, as follows:

> "said filler retaining member comprising a strip of resilient metal bent to provide a substantially flat base portion and an inwardly and downwardly curved outer end portion terminating in a downwardly disposed end edge portion overhanging the base portion a distance less than the thickness of the filler to be retained, whereby to resiliently bear against and compress the filler against the base portion . . . said end edge portion intersecting one of the side edges of the outer end portion in a taper."

Claim 11 was once rejected but, upon being reconsidered by the patent office examiner, it was allowed and became the claim of the Miller patent. The trial court appeared to be under the impression that the patent office examiner had an obligation to explain why, after once rejecting the claim, he reconsidered and allowed it. However, appellant knows of no authority which requires such an explanation by the Patent Office.

Obviously, the downwardly disposed edge of Exhibit 8 is above the base in the sense that it permits a check pad to be inserted under said edge, as specified by the "whereby" clause, and, when said downwardly disposed edge engages a check pad inserted therebeneath, it of course compresses it against the base. Therefore, by any reasonable interpretation of Exhibit 8, it is submitted that its downwardly disposed edge "overhangs" the base [T. 216-219].

VIII.

A Prior Consent Judgment in Another Case in Which Appellee Was Not a Party, Is Irrelevant to the Present Case.

Appellee offered, and the trial court admitted over appellant's objection, [T. 121-123], Exhibit D which was a consent judgment entered some years ago in an action, No. 31,939, in the Northern District of Ohio, Southern Division. Appellee was not a party to that action. In amicably settling that action, the Coast Envelope Company stipulated that it would not object to the defendant in the action using certain binder elements illustrated in a drawing attached to the stipulation. The trial court, by Finding 39, seemed to treat that consent judgment as an "acquiescense" by Miller which would in some way be material to this present action. However, it is submitted that the consent judgment has no bearing whatsoever upon the present action. Appellant does not rely upon said consent judgment. Moreover, the accused devices in the present action are unlike those which Coast Envelope Company stipulated that the defendant in that action might use.

IX.

Conclusion.

Appellant respectfully submits, therefore, that:

(a) the Miller patent in suit, which is presumptively valid, does disclose and claim a patentably novel combination consisting of a new arrangement of old parts which has caused those old parts to function in a new way to produce a new or improved result;

(b) the Miller patent is valid;

(c) the accused devices, Exhibits 7 and 9, have essentially the same combination arrangement and perform in the same way to obtain the same advantageous results as the device of the Miller patent, and therefore each of said accused devices infringes;

(d) that the findings, conclusions and Judgment of the trial court to the contrary are clearly erroneous; and

(e) that the Judgment appealed from should be reversed.

Dated: November 21st, 1962.

Collins Mason, and
A. Donham Owen,
By Collins Mason,
Attorneys for Appellant.

Certificate.

I certify that, in connection with the preparation of this brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

Collins Mason

APPENDIX 1.

1. That the Court erred in dismissing appellant's complaint.

2. That the Court erred in holding that the claim of the Miller patent in suit, No. 2,488,823, is invalid for lack of invention over the prior art relied upon by the appellee.

3. That the Court erred in holding that the claim of the patent in suit is fully anticipated by the prior art.

4. That the Court erred in finding and holding that the proceedings before the Patent Office leading to issuance of the patent lend any added pertinence to any of the prior art patents relied upon by appellee.

5. That the Court erred in failing to give effect to the rule that the essence of a combination patent is in the combination of the elements and not in the elements considered separately.

6. That the Court erred in finding and holding that the prior art patents relied upon by appellee are more pertinent than the prior patents cited and considered by the Patent Office during prosecution of the application for the patent in suit.

7. That the Court erred in holding that any of the prior art patents relied upon by appellee disclosed the same structure, performing the same function in the same manner and combination and with the same facility as the patent in suit.

8. That the Court erred in failing to construe the patent in suit in the light of the specification of said patent.

9. That the Court erred in failing to find and hold in accordance with the evidence, that the teachings of the patent in suit overcame a problem which had existed ever since banking institutions commenced supplying check filler pads to be temporarily mounted in binders many years ago, and which problem other inventors had unsuccessfully attempted to overcome.

10. That the Court erred in failing to find and hold, in accordance with the evidence, that when the device of the patent in suit was first introduced to the banking institutions in 1950, it became an immediate commercial success, supplanting other check filler pad binder devices which had been in universal use for many years, and that appellant and its predecessors in interest sold 34,000,000 of the patented devices during the period 1950-1961.

11. That the Court erred in failing to find and hold, in accordance with the evidence, that the device of the patent in suit was the first check filler pad binder device utilizing a spring metal binder element, to be adopted and used by the banking institutions in the United States, and that appellee copied the patented device after appellee had been unsuccessful in marketing the device of Plaintiff's Exhibit 6 embodying the teachings of British patent 17,923 of 1893 (Defendant's Exhibit A-1), upon which patent appellee chiefly relies as being anticipatory of the patent in suit.

12. That the findings of fact are in essence merely conclusions of law which are contrary to the law and the evidence.

13. That the Court erred in finding and holding that appellant's commercial embodiment of the patent in

suit, as exemplified by Plaintiff's Exhibit 8, does not embody the invention of the patent in suit, and that in so finding and holding the Court erred in that it placed an unsupported, unwarranted, unreasonably restrictive and improper interpretation upon the meaning of the words "overhanging the base", used in the claim of the patent in suit.

14. That the Court erred in failing to give effect to the rule that substantial commercial success, coupled with the failure of others seeking to accomplish the same purpose, should be accepted as strong evidence that the invention of the patent in suit was not obvious at the time the invention was made.

15. That the Court erred in failing to give effect to the rule that the originality involved in the patent and the circumstances which preceded, attended and succeeded the appearance of the patented invention on the market, are the most reliable factors in the determination of the presence or absence of invention.

16. That the Court erred in finding and holding that the accused device, as exemplified by Plaintiff's Exhibits 7 and 9, does not infringe the patent in suit.

17. That the Court erred in finding and holding that appellant is estopped by the proceedings in the Patent Office leading to the grant of the patent in suit to assert that said patent is infringed by the accused device, Exhibits 7 and 9.

18. That the Court erred in failing to recognize and give effect to appellee's admission that the accused device as exemplified by Exhibits 7 and 9 performs the same function, in the same manner, to achieve the same result, as the structure of the patent in suit.

19. That the Court erred in failing to give effect to the established doctrine of equivalents.

20. That the Court erred in failing to find and hold, in accordance with the evidence, that appellee's device, Exhibit 6, which is not changed to infringe the patent in suit, embodies the teachings of the British patent 17,-923, of 1893, and was abandoned by appellee in favor of the accused device, Exhibits 7 and 9.

21. That the Court erred in making findings which are clearly erroneous and contrary to the evidence.

22. That the judgment dismissing plaintiff's complaint is clearly erroneous and contrary to the evidence and the law.

23. That the Court erred in finding that a consent judgment entered in another action against a different defendant and involving different subject matter, has any relevancy or materiality to any issue in this action.

24. That the Court erred in finding and holding that the appellee's device, Exhibit 6, embodies the same construction as the appellee's device, Exhibits 7 and 9.

APPENDIX 2.

All exhibits offered and received at the trial are as follows:

Appellant's Exhibit No.	Vol. 11 of record
1	Id. 3, Ev. 126
2	" 3, " 126
3	" 3, " 126
4	" 3
5	" 15
6	Id. 16, Ev. 126
7	" 19, " 126
8	" 20, " 126
9	" 22, " 126
10	" 29, " 126
11	" 30, " 126
12	" 61
13	" 62, " 126
14	" 74
15	" 82, " 126
16	" 139, " 203
17	" 143, " 203
18	" 148, " 203
19	" 178
20	" 178
21	" 235
Dep. of Hampton	" 233

Appellee's Exhibit No.	
A	In Ev. 94
B	" 94
C	" 94
D	" 123
E	" 172
F	" 98
G	" 116
H	" 173
I	" 80
J	" 173
K	" 102
L	Id. 165, In Ev. 166
M	" 229